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Construction of additional conference facilities at Addis Ababa

Report of the Secretary-General

Summary

In accordance with General Assembly resolution 39/236 of 18 December 1984, annual progress reports have been submitted to the Assembly on the construction project in Addis Ababa.

The construction of a conference facility in Addis Ababa was completed in the second quarter of 1996. The present report complements the progress reports on that project submitted to the General Assembly at its fifty-third session (A/53/347 and Add.1) and focuses on the completion of the work related to the installation of the new telecommunications systems at Addis Ababa, the only outstanding activity of the overall project. No additional resources are being requested beyond the level of $115,228,494 already approved for the project by the Assembly.

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I. Introduction

1. In its resolution 39/326 of 18 December 1984, the General Assembly approved the construction of additional conference facilities at the Economic Commission for Africa (ECA) in Addis Ababa.

2. In accordance with resolution 39/236, annual progress reports have been submitted on the construction project. The present report focuses on the progress on the project at Addis Ababa since the last reports submitted to the General Assembly (A/53/347 and Add.1).

II. Status of the project in Addis Ababa

A. Status of construction

3. The General Assembly approved the construction project in 1984. Construction of the new conference facilities began on 29 April 1991. Substantial completion was achieved on 21 April 1996 and the inauguration ceremony was held on 30 April 1998. As reported to the Assembly at its fifty-third session, the construction contract was deemed completed after issuance of the certificate of completion and making good defects on 2 February 1998. The final obligations under the contract were released and the contractor's residual obligations are those concerning warranties and guarantees of equipment, which are being monitored and administered locally by ECA.

B. Status of the installation of the telecommunications system

4. In his report of 16 February 1999 (A/53/347/Add.1), the Secretary-General informed the General Assembly that the negotiations with the host Government had been successful in leading to the release of items from the Customs Department on 16 December 1998 and that the contractor had commenced the works necessary to correct the deficiencies in the telecommunications system within the warranty period, due to end on 24 February 1999.

5. The issue of deficiencies that had been identified was resolved to the mutual satisfaction of all the parties concerned.

6. As previously reported (A/53/347/Add.1, para. 5), the contractor had presented the United Nations with various claims for additional compensation. It had been agreed that those claims would be taken up separately after the completion of all of the remaining work. After a review of the claims, it was agreed that the United Nations would pay $34,756.53 for work performed at the request of ECA and out of the scope of the contract (fiber connection to the computer room ($17,956.53) and telephone/data outlets ($16,800.00)).

7. In addition, the contractor agreed to deduct from its invoices the amount of $15,000 as compensation to the United Nations for minor damage to the ceiling in Africa Hall.

8. According to the terms of the contract, shipping of the equipment and related insurance costs had to be paid separately. Based on the invoices submitted, the United Nations reimbursed the contractor $263,094.67.

9. Under the agreed settlement the contractor also agreed not to make any further claims either for extra works or for compensation for work-time loss.

10. As part of the agreement, the contractor was to ship some minor power distribution boards — equipment related to the uninterrupted power supply system. In order to protect the interest of the Organization, $52,266.08 was retained from the final payment. Upon receipt of the equipment by ECA and the issuance of the certificate of completion, that amount will be released.

C. Financial aspects

11. As indicated in the report of the Secretary-General (A/53/347/Add.1, para. 6), the total cost of the construction of the additional facilities at Addis Ababa has been completed within the General Assembly-approved budget amount of $115,228,494 and all claims, disputes and deficiencies have been fully settled.

12. As at 30 June 1999, total disbursements amounted to $114,084,919, leaving a balance remaining of $1,143,575, which includes payment for the telecommunications system in the amount of $552,266.08 still to be completely processed and reflected in the construction account. The status of appropriations, disbursements and obligations with respect to the construction project in Addis Ababa can be seen in the annex to the present report.

III. Conclusion

13. Despite the numerous delays and difficulties encountered during the implementation of the project in Addis Ababa, substantial completion of the new conference

facilities was achieved on 21 April 1996, with the handover of the premises to the United Nations taking place the following day. Payments relating to the construction contract were finalized and processed. It is anticipated that all remaining accounts, in particular those relating to the new telecommunications system, will be finalized within the biennium 1998-1999 to enable the construction-in-progress account to be closed and the project capitalized. No additional resources are being requested by the Secretary-General for the project in Addis Ababa.

14. **Therefore, the General Assembly may wish to take note of the report of the Secretary-General.**

Annex

United Nations conference facility in Addis Ababa (as at 30 June 1999)

		United States dollars
1.	Funds authorized by the General Assembly (1984-1997)	115 228 494[a]
2.	Disbursements:	
	(a) Construction contract	94 109 696
	(b) Consultants and construction supervision	16 319 105
	(c) Contract for the telecommunications system	2 671 978
	(d) Administrative expenses	984 140
	Subtotal	**114 084 919**
3.	Unexpended funds (1-2)	1 143 575
4.	Outstanding obligations as at 30 June 1999	618 126
	Estimated balance of funds (3-4)	**525 449**

[a] Breakdown of funds authorized by the General Assembly:

	United States dollars
1984-1989	3 120 000
1990-1991	29 800 100
1992-1993	57 414 900
1994-1995	17 241 900
1996-1997	7 651 594
	115 228 494